

**ASSEMBLY BILL**

**No. 2642**

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**Introduced by Assembly Member Maddox**

February 22, 2002

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An act to amend Section 84606 of, and to amend, repeal, and add Section 84605 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2642, as introduced, Maddox. Political Reform Act of 1974: online disclosure.

(1) Existing law requires specified candidates for public office, officeholders, committees, slate mailer organizations, and others, to periodically file online reports with the Secretary of State, if the cumulative amount of reportable contributions received, expenditures made, or payments made or received total \$50,000 or more, as specified.

This bill would, beginning January 1, 2004, lower the threshold to \$10,000.

(2) Existing law requires the Secretary of State to determine and publicly disclose when the online and electronic disclosure systems are operating effectively, as specified. Existing law states that upon this determination, specified filers required to file online or electronically will no longer be required to file a paper copy or with local filing officers.

This bill would, beginning January 1, 2003, state that candidates and committees subject to the online or electronic disclosure requirements are no longer required to file copies of paper reports with local filing officers. The bill would require the candidates and committees to

continue to file the original paper reports with the Secretary of State until the Secretary of State determines and publicly discloses that the online and electronic disclosure systems are operating effectively.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements. This bill, which would declare that it furthers the purposes of the act, would therefore require a  $\frac{2}{3}$  vote.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 84605 of the Government Code is  
2 amended to read:  
3 84605. Beginning on July 1, 2000, and for all applicable  
4 reporting periods thereafter, the following persons shall file online  
5 or electronically with the Secretary of State:  
6 (a) Any candidate, including appellate court and Supreme  
7 Court candidates and officeholders, committee, or other persons  
8 who are required, pursuant to Chapter 4 (commencing with  
9 Section 84100), to file statements, reports, or other documents in  
10 connection with a state elective office or state measure, provided  
11 that the total cumulative reportable amount of contributions  
12 received, expenditures made, loans made, or loans received is fifty  
13 thousand dollars (\$50,000) or more. In determining the  
14 cumulative reportable amount, all controlled committees, as  
15 defined by Section 82016, and officeholder accounts, as defined  
16 by Section 85313, shall be included. For a committee subject to  
17 this title prior to January 1, 2000, the beginning date for  
18 calculating cumulative totals is January 1, 2000. For a committee  
19 that is first subject to this title on or after January 1, 2000, the  
20 beginning date for calculating cumulative totals is the date the  
21 committee is first subject to this title. A committee, as defined in



subdivision (c) of Section 82013, shall file online or electronically if it makes contributions of fifty thousand dollars (\$50,000) or more in a calendar year.

(b) Any general purpose committees, as defined in Section 82027.5, including the general purpose committees of political parties, and small contributor committees, as defined in Section 85203, that cumulatively receive contributions or make expenditures totaling fifty thousand dollars (\$50,000) or more to support or oppose candidates for any elective state office or state measure. For a committee subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a committee that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the committee is first subject to this title.

(c) Any slate mailer organization with cumulative reportable payments received or made for the purposes of producing slate mailers of fifty thousand dollars (\$50,000) or more. For a slate mailer organization subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a slate mailer organization that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the organization is first subject to this title.

(d) Any lobbyist, lobbying firm, lobbyist employer or other persons required, pursuant to Chapter 6 (commencing with Section 86100), to file statements, reports, or other documents, provided that the total amount of any category of reportable payments, expenses, contributions, gifts, or other items is five thousand dollars (\$5,000) or more in a calendar quarter.

(e) The Secretary of State shall also disclose on the Internet any late contribution or late independent expenditure report, as defined by Sections 84203 and 84204, respectively, not covered by subdivision (a), (b), or (c).

(f) Committees and other persons that are not required to file online or electronically by this section may do so voluntarily.

(g) Once a person or entity is required to file online or electronically, subject to subdivision (a), (b), (c), (d), or (f), the person or entity shall be required to file all subsequent reports online or electronically.

1 (h) It shall be presumed that online or electronic filers file  
2 under penalty of perjury.

3 (i) Persons filing online or electronically shall also continue to  
4 file required disclosure statements and reports in paper format.  
5 The paper copy shall continue to be the official filing for audit and  
6 other legal purposes until the Secretary of State, pursuant to  
7 Section 84606, determines the system is operating securely and  
8 effectively.

9 (j) The Secretary of State shall maintain at all times a secured,  
10 official version of all original online and electronically filed  
11 statements and reports required by this chapter. Upon  
12 determination by the Secretary of State, pursuant to Section  
13 84606, that the system is operating securely and effectively, this  
14 online or electronic version shall be the official version for audit  
15 and other legal purposes.

16 *(k) This section shall remain in effect only until January 1,*  
17 *2004, and as of that date is repealed, unless a later enacted statute,*  
18 *that is enacted before January 1, 2004, deletes or extends that date.*

19 SEC. 2. Section 84605 is added to the Government Code, to  
20 read:

21 84605. Beginning on January 1, 2004, and for all applicable  
22 reporting periods thereafter, the following persons shall file online  
23 or electronically with the Secretary of State:

24 (a) Any candidate, including appellate court and Supreme  
25 Court candidates and officeholders, committee, or other persons  
26 who are required, pursuant to Chapter 4 (commencing with  
27 Section 84100), to file statements, reports, or other documents in  
28 connection with a state elective office or state measure, provided  
29 that the total cumulative reportable amount of contributions  
30 received, expenditures made, loans made, or loans received is ten  
31 thousand dollars (\$10,000) or more. In determining the  
32 cumulative reportable amount, all controlled committees, as  
33 defined by Section 82016, and officeholder accounts, as defined  
34 by Section 85313, shall be included. For a committee subject to  
35 this title prior to January 1, 2004, the beginning date for  
36 calculating cumulative totals is January 1, 2003. For a committee  
37 that is first subject to this title on or after January 1, 2004, the  
38 beginning date for calculating cumulative totals is the date the  
39 committee is first subject to this title. A committee, as defined in  
40 subdivision (c) of Section 82013, shall file online or electronically

1 if it makes contributions of ten thousand dollars (\$10,000) or more  
2 in a calendar year.

3 (b) Any general purpose committees, as defined in Section  
4 82027.5, including the general purpose committees of political  
5 parties, and small contributor committees, as defined in Section  
6 85203, that cumulatively receive contributions or make  
7 expenditures totaling ten thousand dollars (\$10,000) or more to  
8 support or oppose candidates for any elective state office or state  
9 measure. For a committee subject to this title prior to January 1,  
10 2004, the beginning date for calculating cumulative totals is  
11 January 1, 2003. For a committee that first is subject to this title  
12 on or after January 1, 2004, the beginning date for calculating  
13 cumulative totals is the date the committee is first subject to this  
14 title.

15 (c) Any slate mailer organization with cumulative reportable  
16 payments received or made for the purposes of producing slate  
17 mailers of ten thousand dollars (\$10,000) or more. For a slate  
18 mailer organization subject to this title prior to January 1, 2004, the  
19 beginning date for calculating cumulative totals is January 1,  
20 2003. For a slate mailer organization that first is subject to this title  
21 on or after January 1, 2004, the beginning date for calculating  
22 cumulative totals is the date the organization is first subject to this  
23 title.

24 (d) Any lobbyist, lobbying firm, lobbyist employer or other  
25 persons required, pursuant to Chapter 6 (commencing with  
26 Section 86100), to file statements, reports, or other documents,  
27 provided that the total amount of any category of reportable  
28 payments, expenses, contributions, gifts, or other items is five  
29 thousand dollars (\$5,000) or more in a calendar quarter.

30 (e) The Secretary of State shall also disclose on the Internet any  
31 late contribution or late independent expenditure report, as defined  
32 by Sections 84203 and 84204, respectively, not covered by  
33 subdivision (a), (b), or (c).

34 (f) Committees and other persons that are not required to file  
35 online or electronically by this section may do so voluntarily.

36 (g) Once a person or entity is required to file online or  
37 electronically, subject to subdivision (a), (b), (c), (d), or (f), the  
38 person or entity shall be required to file all subsequent reports  
39 online or electronically.

1 (h) It shall be presumed that online or electronic filers file  
2 under penalty of perjury.

3 (i) Persons filing online or electronically shall also continue to  
4 file required disclosure statements and reports in paper format.  
5 The paper copy shall continue to be the official filing for audit and  
6 other legal purposes until the Secretary of State, pursuant to  
7 Section 84606, determines the system is operating securely and  
8 effectively.

9 (j) The Secretary of State shall maintain at all times a secured,  
10 official version of all original online and electronically filed  
11 statements and reports required by this chapter. Upon  
12 determination by the Secretary of State, pursuant to Section  
13 84606, that the system is operating securely and effectively, this  
14 online or electronic version shall be the official version for audit  
15 and other legal purposes.

16 (k) This section shall become operative on January 1, 2004.

17 SEC. 3. Section 84606 of the Government Code is amended  
18 to read:

19 84606. (a) The Secretary of State shall determine and  
20 publicly disclose when the online and electronic disclosure  
21 systems are operating effectively. In making this determination,  
22 the Secretary of State shall consult with the commission, the  
23 Department of Information Technology, and any other appropriate  
24 public or private entity. The online or electronic disclosure system  
25 shall not become operative until the Department of Information  
26 Technology approves the system. Upon this determination, filers  
27 required by this chapter to file online or electronically will no  
28 longer be required to file a paper copy or with local filing officers.  
29 Furthermore, the date that a filer transmits an online or electronic  
30 report shall be the date the filed report is received by the Secretary  
31 of State.

32 (b) *Notwithstanding subdivision (a) and (b) of Section 84215,*  
33 *beginning on January 1, 2003, and for all applicable reporting*  
34 *periods thereafter, candidates and committees subject to the online*  
35 *or electronic disclosure requirements of this title are no longer*  
36 *required to file copies of paper reports with local filing officers.*  
37 *The original paper reports shall continue to be filed with the*  
38 *Secretary of State until the provisions of subdivision (a) take effect.*

39 SEC. 4. No reimbursement is required by this act pursuant to  
40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school  
2 district will be incurred because this act creates a new crime or  
3 infraction, eliminates a crime or infraction, or changes the penalty  
4 for a crime or infraction, within the meaning of Section 17556 of  
5 the Government Code, or changes the definition of a crime within  
6 the meaning of Section 6 of Article XIII B of the California  
7 Constitution.

8 SEC. 5. The Legislature finds and declares that the provisions  
9 of this act further the purposes of the Political Reform Act of 1974  
10 within the meaning of subdivision (a) of Section 81012 of the  
11 Government Code.

